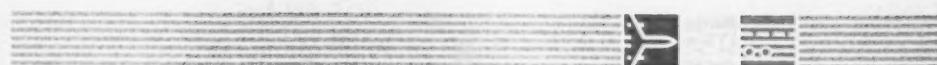




Transport
Canada

Transports
Canada

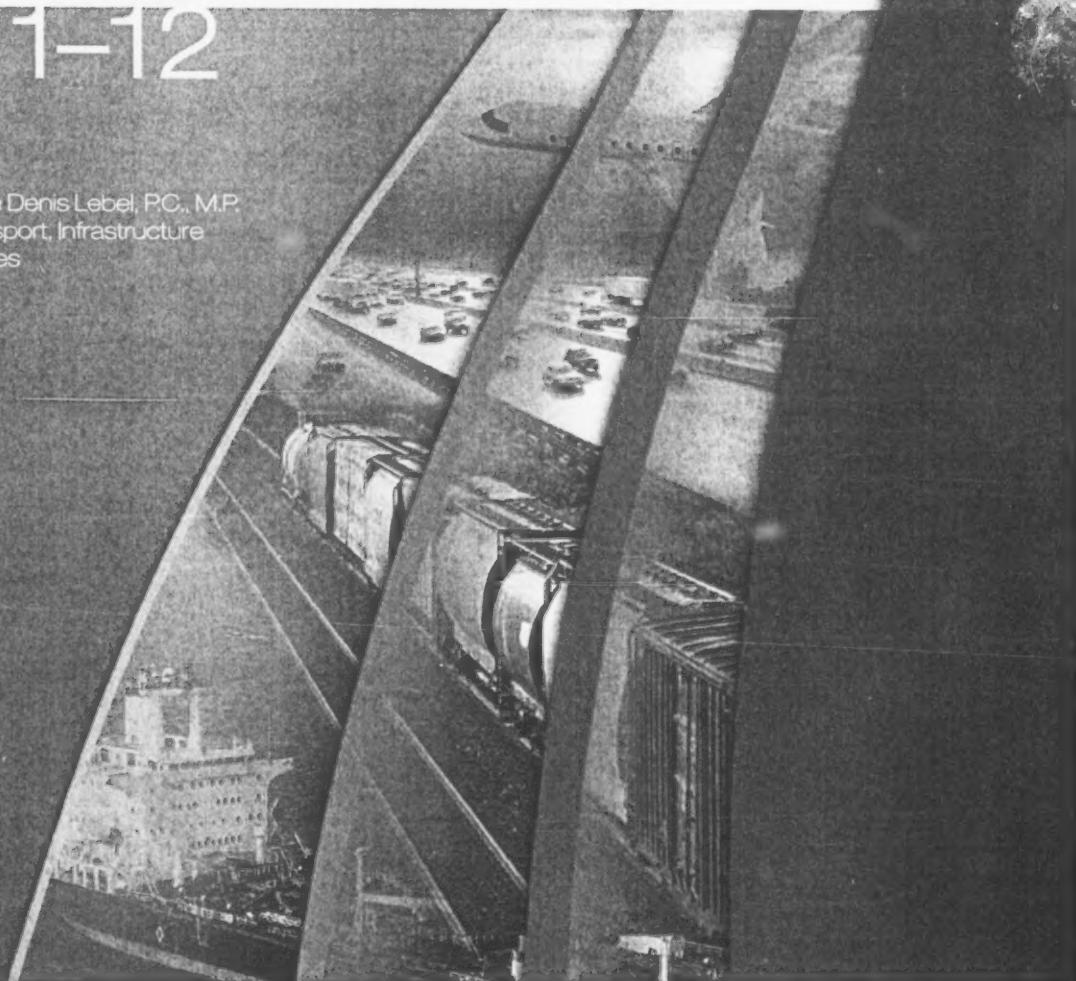


Transport Canada

Report on Plans and Priorities

2011-12

The Honourable Denis Lebel, P.C., M.P.
Minister of Transport, Infrastructure
and Communities



Canada



Transport Canada
Report on Plans and Priorities
2011-12

The Honourable Denis Lebel, P.C., M.P.
Minister of Transport, Infrastructure
and Communities

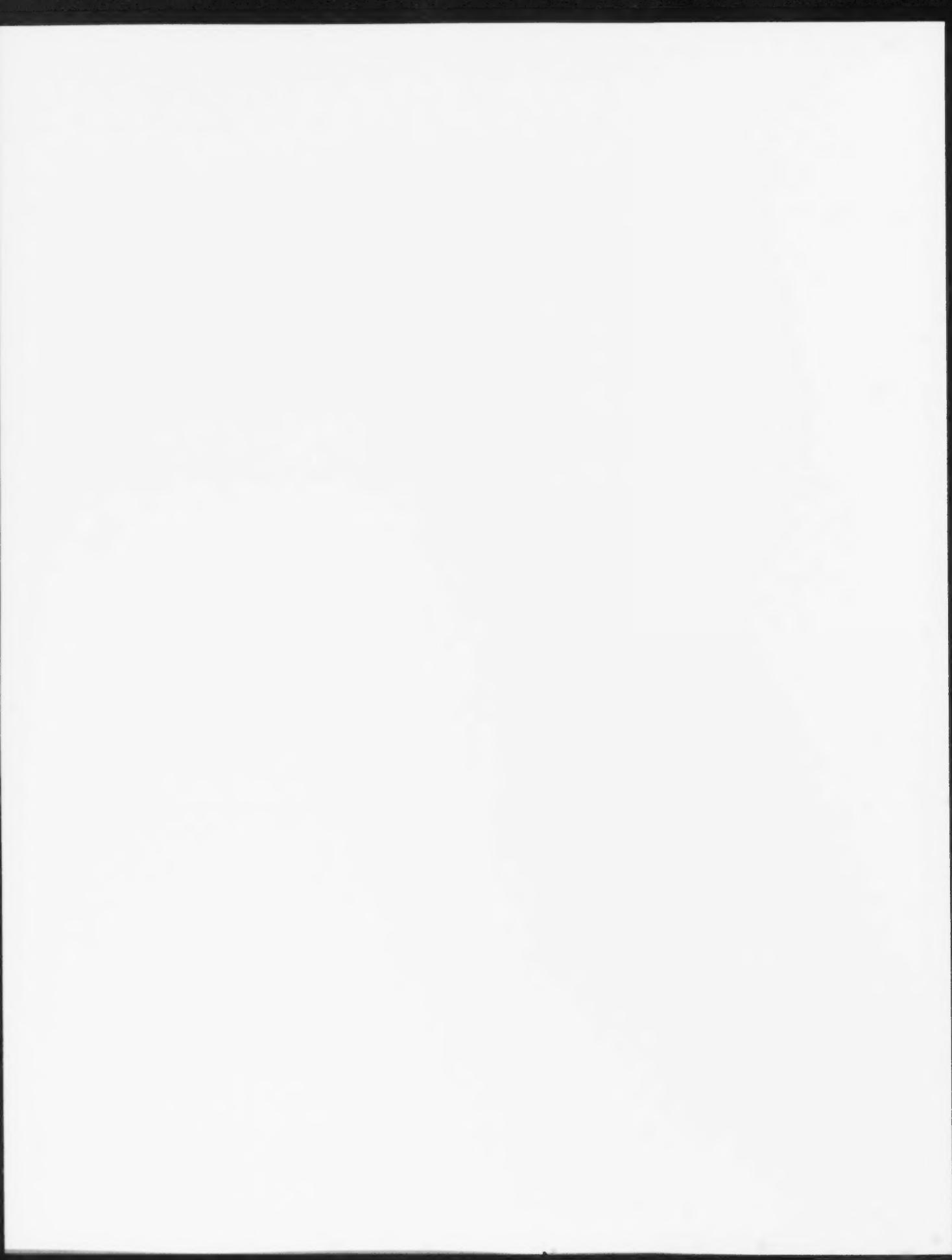


TABLE OF CONTENTS

MINISTER'S MESSAGE	1
SECTION I - DEPARTMENTAL OVERVIEW	3
1.1 SUMMARY INFORMATION.....	3
1.1.1 Raison d'être and Responsibilities.....	3
1.1.2 Strategic Outcomes.....	4
1.1.3 Program Activity Architecture.....	7
1.1.4 Transport Canada's Contribution to the Federal Sustainable Development Strategy	9
1.2 PLANNING SUMMARY	9
1.2.1 Financial Resources	9
1.2.2 Human Resources	10
1.2.3 Summary Tables by Strategic Outcomes and Internal Services	11
1.3 CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOMES	16
1.4 RISK ANALYSIS	21
1.4.1 Risk Management Approach.....	21
1.4.2 Operating Environment	21
1.4.3 Key Risks Areas and Risk Responses.....	21
1.5 EXPENDITURE PROFILE	23
1.5.1 Departmental Spending Trend.....	24
1.5.2 Allocation of Funding by Strategic Outcome and Internal Services.....	24
1.5.3 Voted and Statutory Items	25
SECTION II - ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME	26
2.1 STRATEGIC OUTCOME: AN EFFICIENT TRANSPORTATION SYSTEM.....	26
2.1.1 Program Activity: Transportation Marketplace Frameworks	28
2.1.2 Program Activity: Gateways and Corridors.....	29
2.1.3 Program Activity: Transportation Infrastructure.....	30
2.1.4 Program Activity: Transportation Innovation	32
2.2 STRATEGIC OUTCOME: A CLEAN TRANSPORTATION SYSTEM	34
2.2.1 Program Activity: Clean Air from Transportation	34
2.2.2 Program Activity: Clean Water from Transportation	36
2.2.3 Program Activity: Environmental Stewardship of Transportation	37
2.3 STRATEGIC OUTCOME: A SAFE TRANSPORTATION SYSTEM	39
2.3.1 Program Activity: Aviation Safety	39
2.3.2 Program Activity: Marine Safety	41
2.3.3 Program Activity: Rail Safety	42
2.3.4 Program Activity: Road Safety.....	44
2.3.5 Program Activity: Transportation of Dangerous Goods.....	45

2.4 STRATEGIC OUTCOME: A SECURE TRANSPORTATION SYSTEM	47
2.4.1 Program Activity: Aviation Security	48
2.4.2 Program Activity: Marine Security	49
2.4.3 Program Activity: Surface and Intermodal Security	50
2.5 PROGRAM ACTIVITY: INTERNAL SERVICES	52
SECTION III – SUPPLEMENTARY INFORMATION	54
3.1 FINANCIAL HIGHLIGHTS	54
3.1.1 Future-Oriented Condensed Statement of Operations	54
3.2 SUPPLEMENTARY INFORMATION TABLES	54
SECTION IV – OTHER ITEMS OF INTEREST	55
4.1 SUSTAINABLE DEVELOPMENT.....	55
4.2 GENDER-BASED ANALYSIS.....	55
4.3 RELEVANT WEBSITES	55

MINISTER'S MESSAGE



As Minister of Transport, Infrastructure and Communities, I am pleased to present to Parliament Transport Canada's Report on Plans and Priorities for 2011-2012.

This plan focuses on four main priorities: increase security for air passengers, air cargo and airport workers; create an oversight framework that will ensure Transport Canada's legislation, regulations and regulatory initiatives are modern, streamlined and effective; assess the transportation policy framework's ability to respond to emerging trends and challenges; and continue to improve governance within the Department.

Transport Canada's focus remains the secure and efficient movement of people and goods domestically and internationally. In order to increase security for air passengers, air cargo and airport workers, we will continue to enhance the Air Cargo Security Program and to work with our international partners to advance mutual recognition. We also plan to develop a National Civil Aviation Security Program that will help increase our international and domestic partners' confidence in the Canadian transportation system.

To address the high-risk areas of the transportation sector, such as growing traffic, competing environmental and economic demands, rapidly evolving technologies and the threat of terrorism, we are creating an oversight framework that will enable us to update our laws and regulations, sometimes with partner jurisdictions, to improve our effectiveness. More modern, responsive and flexible approaches to managing risks will benefit the Canadian transportation system and Canadians for many years to come by focussing efforts where they are needed most.

We are also assessing our transportation policy framework to ensure that Transport Canada is positioned to respond to emerging trends over the long term. We will identify and make necessary adjustments to our policy framework so that the transportation system can continue to meet the needs of Canadians across the country.

In order to attain high organizational performance and serve the public interest to the best of our capacity, we will continue to review our internal management practices. We will enhance our performance measurement framework to help measure our progress towards our departmental strategic outcomes. We will also continue to review our expenditure plans to ensure that our resources are directed to the highest priorities for Canadians.

I would like to thank the staff in all of the Department's offices for their efforts and hard work. As Minister of Transport, Infrastructure and Communities, I am confident that we will meet our objectives and ensure that Canada's transportation system continues to be recognized worldwide as safe, secure, efficient and environmentally responsible.

The Honourable Denis Lebel, P.C., M.P.
Minister of Transport, Infrastructure and Communities

SECTION I – DEPARTMENTAL OVERVIEW

1.1 SUMMARY INFORMATION

1.1.1 Raison d'être and Responsibilities

Transport Canada is responsible for the Government of Canada's transportation policies and programs. While not directly responsible for all aspects or modes of transportation, the Department plays a leadership role to ensure that all parts of the transportation system work together effectively. Furthermore, the *Canada Transportation Act* requires the Department to report on the state of the national transportation system.

OUR VISION

A transportation system in Canada that is recognized worldwide as safe, secure, efficient and environmentally responsible.

The Department's vision of a sustainable transportation system is one that integrates and balances social, economic and environmental objectives. Our vision is guided by the following principles:

- highest possible safety and security of life and property guided by performance-based standards and regulations when necessary;
- efficient movement of people and goods to support economic prosperity and a sustainable quality of life based on competitive markets and targeted use of regulation and government funding; and
- respect for the environmental legacy of future generations of Canadians guided by environmental assessment and planning processes in transportation decisions and selective use of regulation and government funding.

Transport Canada is part of the Transport, Infrastructure and Communities portfolio. Under this portfolio, the Minister of Transport, Infrastructure and Communities administers over sixty statutes and heads a complex organizational structure that includes Transport Canada, Infrastructure Canada, Shared Governance Organizations (ex. NAV Canada), Transportation Crown Corporations (ex. Great Lakes Pilotage Authority), Non-Transportation Crown Corporations (ex. Canada Post Corporation and Subsidiaries), and Administrative Tribunal/Agencies (ex. Transportation Appeal Tribunal of Canada).

These organizations contribute to Canada's competitiveness by ensuring a vibrant transportation system to make the economy stronger; keeping our transportation system safe and secure; protecting the environment; and improving the quality of life in our cities and communities. Having these organizations grouped into one portfolio allows for an integrated decision-making process on transportation issues.

Establishing departmental business priorities to address operational and management gaps further strengthens this approach to integrated decision-making. Transport Canada identified the following three operational priorities and one management priority for 2011-2012:

- create an oversight framework that will ensure Transport Canada's legislation; regulations and regulatory initiatives are modern, streamlined and effective;
- assess the transportation policy framework;
- increase security for air passengers, air cargo and airport workers; and
- continue to improve governance within Transport Canada.

These priorities are aligned with commitments undertaken by the Government of Canada stated in the 2010 Speech from the Throne.

The Government of Canada works in close partnership with provinces, territories, municipalities and other public and private sector groups to address common economic, environmental and social issues through sound transportation solutions. This contributes to economic prosperity since shared projects and programs create or protect jobs, and help move people and goods across the country and around the world.

For example, through Canada's National Policy Framework for Strategic Gateways and Trade Corridors, Transport Canada is working in partnership with other federal departments and agencies, provinces and territories, municipalities, and private sector stakeholders to implement the three gateway strategies aimed at strengthening Canada's competitiveness in global commerce. These strategies involve joint investments in strategic trade-related transportation infrastructure and collaborative activities to address policy, legislative, regulatory, operational and governance issues that impede the efficiency and reliability of the transportation system. Through these collaborative and coordinated initiatives, Canada is successfully seizing its geographic and transportation advantages to expand international commerce opportunities, especially with other key trading partners and new emerging markets.

1.1.2 Strategic Outcomes

Transport Canada organizes itself around four principle business lines, with program and support groups working at headquarters in Ottawa and in locations across Canada. Headquarters is made up of four groups: Policy, Programs, Safety and Security, and Corporate Services. Regional directors general head Transport Canada's five regions, Pacific, Prairie and Northern, Ontario, Quebec and Atlantic, and are responsible for delivering national departmental programs and services in their respective regions.

The Policy on Management, Resources and Results Structures supports the development of a common, government-wide approach to the collection, management and reporting of financial and non-financial information on program objectives, performance and results. Complementing this departmental performance management and reporting regime, the

Government of Canada has adopted a whole-of-government framework for reporting to Parliament on progress made as a nation. This framework maps the financial and non-financial contributions of departments, agencies, and Crown corporations receiving appropriations to sixteen high-level Government of Canada outcome areas within the following four Government of Canada spending areas: Economic, Social, International, and Government Affairs.¹

In general, departments, agencies and Crown corporations contribute to all of these sixteen outcome areas. However, their individual mandates, responsibilities and strategic objectives contribute specifically to a few Government of Canada outcomes.

Transport Canada fulfills its mandate, responsibilities and objectives through the following four Strategic Outcomes:

1. An Efficient Transportation System;
2. A Clean Transportation System;
3. A Safe Transportation System; and
4. A Secure Transportation System.

These four strategic outcomes specifically contribute to five Government of Canada outcomes, which are: *A Strong Economic Growth, An Innovative and Knowledge-based Economy, A Clean and Healthy Environment, A Fair and Secure Marketplace, and A Safe and Secure Canada*. Section 1.1.3 of this report explains how Transport Canada's strategic outcomes and program activities contribute to these outcomes areas.

1. Strategic Outcome: An Efficient Transportation System

An efficient transportation system contributes to the quality of life for all Canadians and supports three Government of Canada outcome areas: *A Fair and Secure Marketplace, Strong Economic Growth and An Innovative and Knowledge-based Economy*.

Transport Canada promotes an efficient transportation system in Canada. We:

- modernize marketplace frameworks² so that the transportation sector can adapt, innovate and remain competitive;
- develop and implement gateways and corridors³ initiatives;
- ensure the renewal of federal transportation infrastructure;
- encourage innovation in the transportation sector; and
- partner with provinces, territories, municipal governments, and public and private sector entities in various transportation initiatives.

1 Source: Treasury Board of Canada Secretariat – [Whole-of-Government Framework](#).

2 Marketplace framework is the legislative and regulatory environment within which transportation service providers operate.

3 Gateways link Canada to its international trading partners. Corridors, in turn, link gateways to each other and to major North American markets.

DID YOU KNOW?

Under the Asia Pacific Gateway and Corridor Initiative, Transport Canada is a major partner in the Roberts Bank Rail Corridor Initiative, contributing up to \$75 million for a total project cost of \$307 million. The Roberts Bank Rail Corridor is an important 70-kilometre stretch connecting Canada's largest container facility at Roberts Bank (south of Vancouver) with the North American rail network. As this rail corridor carries increasing volumes of international freight through communities in the Lower Mainland, the Initiative strives to reduce impacts on these communities and facilitate efficient freight movement along the corridor.

2. Strategic Outcome: A Clean Transportation System

A clean transportation system contributes to the health of all Canadians and supports the Government of Canada outcome: *A Clean and Healthy Environment*.

Transport Canada promotes a clean transportation system in Canada. We:

- advance the federal government's Clean Air Agenda in the transportation sector and complement other federal programs designed to reduce air emissions to protect the health of Canadians and the environment for generations to come;
- protect the health of Canadians and the marine environment by reducing the pollution of water from transportation sources; and
- fulfill Transport Canada's responsibilities in working towards a cleaner and healthier environment with regard to its own operations.

DID YOU KNOW?

Transport Canada contributed to the funding of a marine shore power project with Port Metro Vancouver. This is the first port in Canada to install shore power for cruise ships, only the third in the world to do so. This project will significantly improve local air quality by reducing air emissions from cruise ships in downtown Vancouver.

3. Strategic Outcome: A Safe Transportation System

A safe transportation system contributes to the safety of both the travelling and non-travelling public and supports the Government of Canada outcome: *A Safe and Secure Canada*.

Transport Canada promotes a safe transportation system in Canada. We:

- develop safety regulations and oversee their implementation for the air, rail, and marine modes;
- monitor motor vehicle and equipment manufacturers' compliance with motor vehicle safety regulations;
- manage programs to support safety-related investments at regional/small airports, protect navigable waterways, provide certificates and license to individuals, aircraft and vessels; and
- provide air transport services to support Transport Canada and other government department operations.

DID YOU KNOW?

Transport Canada's Canadian Transport Emergency Centre collaborates closely with the United States National Aeronautics and Space Administration Space Shuttle Program. How? The National Aeronautics and Space Administration can contact the Centre for information about the potential chemical hazards associated with the Space Shuttle.

4. Strategic Outcome: A Secure Transportation System

A secure transportation system contributes to the security of all Canadians and supports the Government of Canada outcome: *A Safe and Secure Canada*.

Transport Canada promotes a secure transportation system in Canada. We:

- develop policies and programs that respond to emerging security risks while keeping Canada competitive;
- develop and enforce transportation security regulations; and
- work with domestic and international partners towards a shared and effective transportation security agenda.

DID YOU KNOW?

During the Vancouver 2010 Winter Olympic Games, Transport Canada, with its federal, provincial, territorial and municipal partners, monitored 18,000 flights, 705 marine vessels, and 2,443 kilometres of rail track to ensure the security of Canadian and international athletes and visitors to the Games.

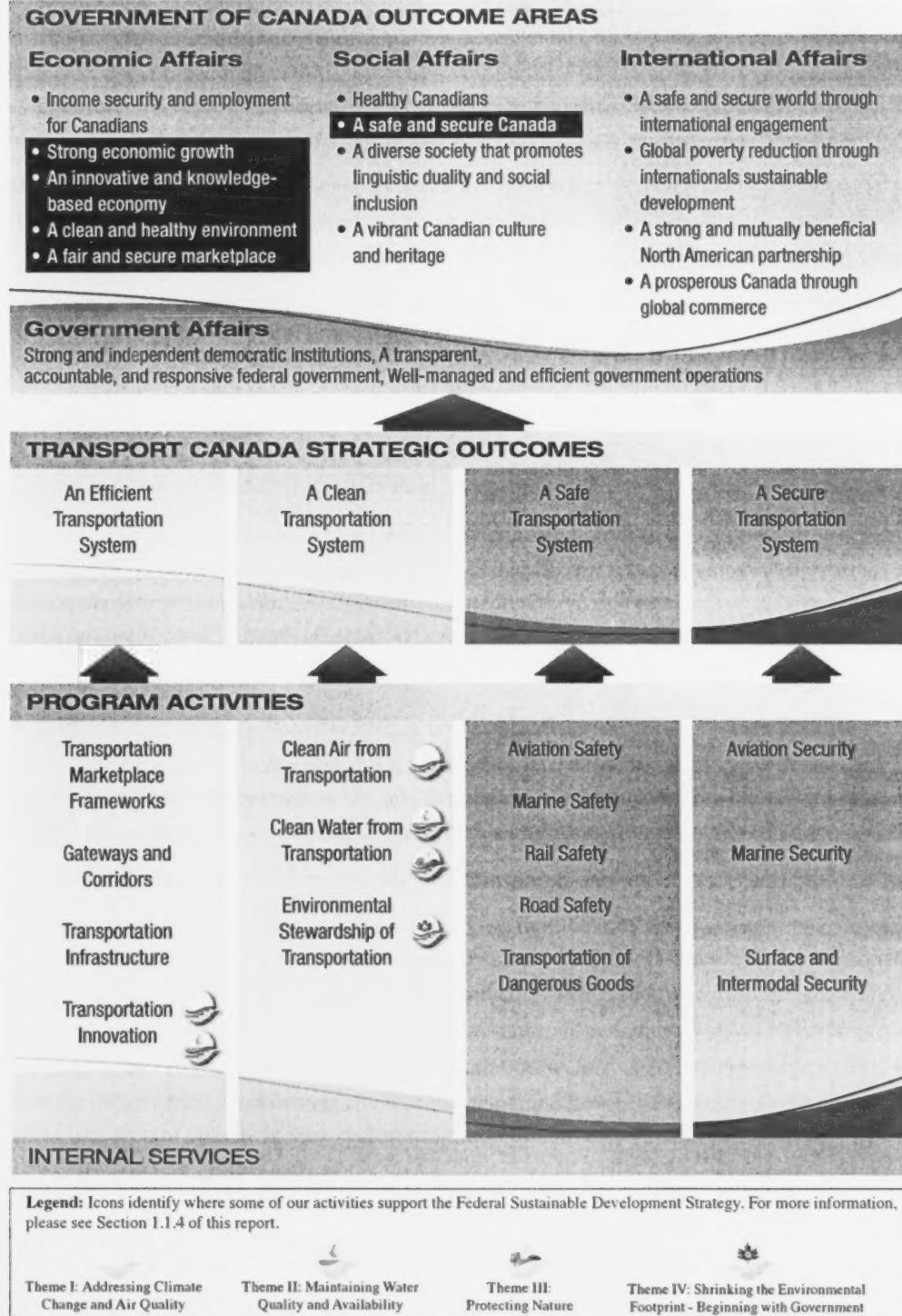
1.1.3 Program Activity Architecture

This Report on Plans and Priorities is aligned with Transport Canada's Management, Resources and Results Structure. This structure provides a standard basis for reporting to Parliamentarians and Canadians on the alignment of resources, program⁴ activities and expected results.

As illustrated in Figure 1, Transport Canada's Program Activity Architecture includes fifteen program activities, which contribute to achieving the four departmental strategic outcomes. The sixteenth program activity, Internal Services, supports all four strategic outcomes.

⁴ A Program is defined as a group of related resource inputs and activities that are designed and managed to address specific needs, achieve intended results, and are treated as a budgetary unit. The Program Activity represents the largest identifiable program(s) that the Department manages.

Figure 1: Transport Canada Program Activity Architecture



1.1.4 Transport Canada's Contribution to the Federal Sustainable Development Strategy

The Federal Sustainable Development Strategy aims to fulfill the requirements of the *Federal Sustainable Development Act* passed by Parliament in 2008. The first Strategy brings together environmental goals, targets and implementation strategies which have been created through the normal course of government decision-making. The Strategy also establishes a framework for sustainable development planning and reporting with three key elements:

- an integrated, whole-of-government picture of actions and results to achieve environmental sustainability;
- a link between sustainable development planning and reporting and the Government's core expenditure planning and reporting system; and,
- a measurement, monitoring and reporting regime in order to track and report on progress to Canadians.

As a participant in the Federal Sustainable Development Strategy, Transport Canada is committed to environmental sustainability and strategic environmental assessment as an integral part of its decision-making processes. Transport Canada's contributions are further explained in Sections II, III and IV of this report with the following tags:

- Theme I – Addressing Climate Change and Air Quality
- Theme II – Maintaining Water Quality and Availability
- Theme III – Protecting Nature
- Theme IV – Shrinking the Environmental Footprint – Beginning with Government

To learn more about Transport Canada's activities to support sustainable development, please visit our website and for complete details on the Federal Sustainable Development Strategy, please visit Environment Canada's website.

1.2 PLANNING SUMMARY

1.2.1 Financial Resources

The following financial resources table provides a summary of the total planned spending for Transport Canada for the next three fiscal years. For more detailed information on planned spending, including adjustments, please visit Transport Canada's website on Planned Spending.

2011-12 (\$ millions)	2012-13 (\$ millions)	2013-14 (\$ millions)
1,590	2,121	1,611

1.2.2 Human Resources

The following human resources table provides a summary of the total planned human resources for Transport Canada for the next three fiscal years.

2011-12 (Full-Time Equivalents)	2012-13 (Full-Time Equivalents)	2013-14 (Full-Time Equivalents)
5,346	5,253	5,203

1.2.3 Summary Tables by Strategic Outcome and Internal Services

Strategic Outcome 1: An Efficient Transportation System					
Performance Indicators		Targets			
Transportation sector productivity level (Index)		Increase by 2.5 percent to 5 percent relative to 2009 baseline (Productivity Index ⁵ >113 in 2014)			
Transportation sector cost level (Index)		Growth in unit costs does not exceed 11 percent over a 5-year horizon (Cost Index < 111 in 2014)			
Program Activity	Forecast Spending (\$ millions)	Planned Spending (\$ millions)			Direct Contribution to Government of Canada Outcomes
		2010-11	2011-12	2012-13	
Transportation Marketplace Frameworks	9	9	9	9	A fair and secure marketplace
Gateways and Corridors	260	544	1,173	670	Strong economic growth
Transportation Infrastructure	287	334	261	253	Strong economic growth
Transportation Innovation	14	14	9	9	An innovative and knowledge-based economy
Total Planned Spending*	570	901	1,452	941	

* Due to rounding, column totals shown may not be exact. Amounts are net of dependable revenue.

⁵ The Productivity Index measures the annual percent change in the quantity of output as a ratio of the quantity of various inputs including labour, capital, fuel and overhead. Transport Canada uses this index to measure the productivity of various modes of transport. Measuring the productivity of the sector enable us to measure the efficiency progress of transportation policies and regulatory controls under the strategic outcome Efficient Transportation System. The assumption is that increases in the efficiency of the transportation system will increase productivity.

Strategic Outcome 2: A Clean Transportation System					
Performance Indicators		Targets			
Transportation sector greenhouse gas emissions ⁶ (tonnes of CO ₂ ⁷ equivalent)		Greenhouse gas emission levels from the transportation sector consistent with Government of Canada targets in "Turning the Corner"			
Percentage of transportation sector air pollutants reduction		Level of air pollutants from the transportation sector reduced consistent with targets to be established under the "Clean Air Agenda"			
Program Activity	Forecast Spending (\$ millions)	Planned Spending (\$ millions)			Direct Contribution to Government of Canada Outcomes
		2010-11	2011-12	2012-13	
Clean Air from Transportation	19	5	3	3	A clean and healthy environment
Clean Water from Transportation	8	6	3	3	
Environmental Stewardship of Transportation	43	7	6	6	
Total Planned Spending*	71	18	12	12	

* Due to rounding, column totals shown may not be exact. Amounts are net of spendable revenue.

6 The main greenhouse gases in the Earth's atmosphere are water vapour, carbon dioxide, methane and nitrous oxide, which contribute to global warming.

7 CO₂ equivalent is a measure used to compare the emissions from various greenhouse gases based on their global warming potential relative to that of carbon dioxide.

Strategic Outcome 3: A Safe Transportation System				
Performance Indicators		Targets		
Program Activity	Forecast Spending (\$ millions)	Planned Spending (\$ millions)		Direct Contribution to Government of Canada Outcomes
	2010-11	2011-12	2012-13	
Aviation Safety	223	253	253	A safe and secure Canada
Marine Safety	86	74	69	
Rail Safety	33	38	37	
Road Safety	42	24	22	
Transportation of Dangerous Goods	15	13	13	
Total Planned Spending*	398	402	394	

* Due to rounding, column totals shown may not be exact. Amounts are presented Net of dependable revenue.

Strategic Outcome 4: A Secure Transportation System					
Performance Indicators		Targets			
Number of Canadian regulatory framework adjustments		Two			
Percentage of Canadians reporting to be confident in the security of the transportation system		Maintain or improve confidence in the security of the transportation system, based on the strategic objectives of each mode			
Program Activity	Forecast Spending (\$ millions)	Planned Spending (\$ millions)			Direct Contribution to Government of Canada Outcomes
	2010-11	2011-12	2012-13	2013-14	
Aviation Security	49	51	49	47	A safe and secure Canada
Marine Security	21	22	19	19	
Surface and Intermodal Security	7	7	6	6	
Total Planned Spending*	77	80	74	72	

* Due to rounding, column totals shown may not be exact. Amounts are presented Net of dependable revenue.

Internal Services					
Performance Indicators		Targets			
Satisfaction rate of Internal Services clients		Satisfaction rate equal or superior to 85 percent			
Internal Services	Forecast Spending (\$ millions)		Planned Spending (\$ millions)		Contribution to Transport Canada Strategic Outcomes
	2010-11	2011-12	2012-13	2013-14	
Internal Services	233	189	189	189	An efficient transportation system A clean transportation system A safe transportation system A secure transportation system

Program Activity	Total Department					Alignment to Government of Canada Outcomes	
	Forecast Spending (\$ millions)	Planned Spending (\$ millions)					
		2010-11	2011-12	2012-13	2013-14		
All Program Activities	1,349	1,590	2,121	1,611	An fair and secure marketplace Strong economic growth An innovative and knowledge-based economy A clean and healthy environment A safe and secure Canada		

1.3 CONTRIBUTION OF PRIORITIES TO STRATEGIC OUTCOMES

Transport Canada identified three operational priorities⁸ and one management priority⁹ for 2011-2012. These priorities are aligned with the Department's Corporate Risk Profile¹⁰. Each priority relates to one or more of Transport Canada's Strategic Outcomes, which collectively describe our mandate and core business. The 2011-2012 operational and management priorities are aligned with commitments undertaken by the Government of Canada.

The Department's priorities will strengthen our governance, provide strategic direction, ensure internal coherence and corporate discipline, and support our strategic outcomes to deliver results to Canadians. The departmental priorities are described in more details in the following tables.

This report labels first-time priorities as "new", priorities committed to in the first or second fiscal year prior to this report as "previously committed to", and older commitments as "ongoing".

⁸ Operational priorities improve Transport Canada's ability to achieve better results for Canadians through improvements to how programs are delivered.

⁹ Management priorities focus on improving Transport Canada's management practices, controls or systems in such areas as human resources, risk management, real property management.

¹⁰ Corporate Risk Profile helps Transport Canada establish a direction for managing departmental risks. The profile presents a snapshot of the Department's risk status at a particular point in time.

OPERATIONAL PRIORITY	
Create an oversight framework that will ensure Transport Canada's legislation, regulations and regulatory initiatives are modern, streamlined and effective	<p>Type: New</p> <p>Links to Strategic Outcome: All Strategic Outcomes</p> <p>Why is this a priority? Growing traffic, competing environmental and economic demands, rapidly evolving technologies and the threat of terrorism demand improvements to existing regulatory tools to benefit Canadians. Setting regulatory priorities will ensure that we address high-risk areas of the transportation sector first. Updating federal laws and regulations, sometimes with partner jurisdictions, will keep us effective. These changes will provide Canadians with a performance-based regulatory framework for transportation that is responsive, flexible, effective and modern, as required by the Cabinet Directive on Streamlining Regulation.</p> <p>To meet this priority we plan to:</p> <ul style="list-style-type: none"> • develop a risk-based regulatory priority management system; • contribute to the Government of Canada efforts to improve the federal regulatory system, including approaches that consider economic, environmental and safety and/or security considerations; and • assess the regulatory and compliance implications of legislation and regulations earlier in the policy development process.
	<p>This departmental priority supports the agenda of the Government of Canada as outlined in the Speech from the Throne 2010.</p> <p>“[...] our strategy for the economy must create the conditions for continued success in the industries that are the foundation for Canada’s prosperity and support thousands of communities, both rural and urban.”</p>

OPERATIONAL PRIORITY	
Assess the transportation policy framework	Type: New
	Links to Strategic Outcome: All Strategic Outcomes
	Why is this a priority?
	Canada's transportation sector contributes greatly to the quality of life that Canadians enjoy. It is vital to our economic success and long term prosperity. In recent years, the transportation environment in Canada has evolved, posing new challenges and opportunities for the sector. An assessment of emerging trends and challenges will determine whether the transportation sector and the Department's current policy framework are positioned to respond over the long term.
	To meet this priority we plan to:
	<ul style="list-style-type: none"> • assess the emerging trends, challenges and opportunities to determine whether our current policy framework remains relevant for Canada's transportation sector; and • identify any adjustments required to the policy framework to ensure that we can continue to meet the needs of the transportation sector and Canadians over the long term.

This departmental priority supports the agenda of the Government of Canada as outlined in the Speech from the Throne 2010.

"Canada is poised to emerge from the recession powered by one of the strongest economies in the industrialized world. Therefore, our attention must also encompass the new measures Canada needs for success in the modern economy [...] To succeed in the global economy, Canada must keep step as the world races forward."

OPERATIONAL PRIORITY	
Increase security for air passengers, air cargo and airport workers	<p>Type: Previously Committed to</p> <p>Links to Strategic Outcome: A Secure Transportation System</p> <p>Link to Program Activities: Air Cargo Security Major Crown Project, Aviation Security Oversight, Aviation Security Regulatory Framework, Airport Policing Assistance</p>
	<p>Why is this a priority?</p> <p>Canadians expect a secure transportation system using innovative ways to manage risk while protecting their rights and privacy. Our international and domestic partners must be confident that the Canadian transportation system will not be used as a means to threaten international and domestic trade and travel. Transport Canada supports the secure and efficient movement of people and goods, against a backdrop of globalization, terrorism and national security challenges.</p> <p>To meet this priority we plan to:</p> <ul style="list-style-type: none"> • continue to enhance the Air Cargo Security Program; • continue to work with international partners to advance mutual recognition; and • develop a National Civil Aviation Security Program.

This departmental priority supports the agenda of the Government of Canada as outlined in the Speech from the Throne 2010.

“Our Government will take steps to safeguard Canada’s national security. It will make travel by air safer by employing the latest screening practices and detection technologies for passengers and cargo.”

MANAGEMENT PRIORITY	
Continue to improve governance within Transport Canada	<p>Type: Previously Committed to</p> <p>Links to Strategic Outcome: All Strategic Outcomes</p>
	<p>Why is this a priority?</p> <p>In order to attain high organizational performance and serve the public interest to the best of its capacity, Transport Canada examines its internal management practices on an on-going basis and adapts those practices to the needs of its programs and to its evolving environment. Accordingly, the organizational support to the different components of the Department is strengthened, resulting in improved program and service delivery to Canadians.</p> <p>Internal management refers to all the interrelated activities that are used to coordinate, direct, and monitor an organization in order to reach its objectives. This includes governance, which refers to how an organization makes and implements decisions.</p> <p>To meet this priority we plan to:</p> <ul style="list-style-type: none"> • improve our capacity to optimize the use of financial and human resources by continuing to evolve our budget management framework to enable improved resource allocation and reallocation decisions to support core program integrity, priorities and effective performance results; • enhance the Performance Measurement Framework¹¹ linked to our Program Activity Architecture to ensure Transport Canada has more outcome oriented performance indicators and an online performance management system that will help to measure progress towards strategic outcomes, and demonstrate how programs and services benefit Canadians; and • improve our capacity to effectively and efficiently administer transfer payments, monitor and provide guidance on best practices, departmental standards and federal policies.
	<p>This departmental priority supports the agenda of the Government of Canada as outlined in the 2010 Speech from the Clerk of the Privy Council.</p> <p>“Our renewal efforts are based in four key areas: integrated planning, recruitment, employee development and workplace renewal [...] Integrated planning is a core business practice that aligns goals, resources and results. We must plan to identify and close resource gaps, improve our advice and service to Canadians, and reduce unnecessary costs, which is critical in the current period of fiscal restraint.”</p>

¹¹ Performance Measurement Framework is a program tool, which helps managers focus on measuring and reporting on departmental outcomes and expected results.

1.4 RISK ANALYSIS

1.4.1 Risk Management Approach

As part of its risk management activities, Transport Canada conducts an annual review of risk factors that may have an impact on its ability to achieve its strategic outcomes. Risk factors change over time as a result of modifications in the Department's mandate, its strategic outcomes or priorities and other significant factors such as changing economic, energy, security, political and environmental conditions that directly impacts the Department. The identification of risks and the development of mitigation measures and controls in managing them contribute to making decisions related to setting departmental priorities, planning, allocating resources, developing policies, managing programs and reporting on performance.

1.4.2 Operating Environment

Canada's transportation network is vast with 38,000 kilometres of national and regional highways, 20 million road vehicles, 243,000 kilometres of shoreline, 1,500 ports, 48,000 ships, 33,000 civil aircrafts, 1,600 aerodromes, 48,000 kilometres of rail and 2,800 locomotives. Furthermore, the transportation system is a complex structure that includes multiple jurisdictions of government interacting with private sector stakeholders and consumers. In years ahead, emerging global pressures such as global restructuring, demographic shifts, natural resources scarcity, financial constraints, environmental pressures, and general uncertainty and complexity will present a number of new challenges for Canada and our transportation system.

1.4.3 Key Risks Areas and Risk Responses

Transport Canada has identified four key risk areas that could impact its ability to achieve its strategic outcomes. For each area, a risk statement describes the challenge Transport Canada faces followed by a brief description of the main risk factors and main risk responses we will put in place to manage the risk.

Transportation System Efficiency: Transport Canada may not be able to sufficiently influence the efficiency and competitiveness of Canada's transportation system.

The transportation system in Canada is operated under multiple public and private sector jurisdictions. Canadians rely on the transportation system to move people and goods across vast distances and to world markets by air, sea and land. The transportation system, therefore, needs to be safe, secure yet efficient and reliable. Risk factors include finding the appropriate balance between the requirements of the national transportation system and expectations of provincial, territorial and municipal jurisdictions and the private sector; tensions in third party labour-employer relationships that impact the transportation system; tensions between users and providers of transportation services; increasingly limited public funds; aging infrastructure; constrained uptake of transportation innovation; and evolving international direction related to environmental issues and climate change.

We will review our transportation policy framework to ensure that we can continue to meet the needs of the transportation sector. We will foster innovation in the transportation sector by partnering with stakeholders to facilitate forward looking solutions, improve technology applications and enhance transportation research capacity to help identify emerging trends and opportunities, and address challenges facing the transportation system. We will develop and support Intelligent Transportation Systems projects to increase Canadian capacity to use and share technology with major trading partners.

Oversight Effectiveness and Efficiency: Transport Canada's oversight of the national transportation system may not be sufficiently flexible and adaptable to address ever-changing conditions.

As a federal regulator and funding partner, Transport Canada requires that its strategic and other policy, program and regulatory mechanisms be responsive to today's requirements, aligned with on-the-ground operational realities, international trends and developments, and above all meet the needs of Canadians. The risk factors include the difficulty in ensuring the regulatory framework remains current; the inability to keep information updated; and the challenges to ensure that internal governance and an oversight framework keep pace with the transportation environment. Also, Transport Canada may lack the right kind of tools and skills development for its inspectors, policy makers, program delivery staff as well as third-party suppliers and service providers.

We will create an oversight framework that will ensure our legislation, regulations and regulatory initiatives are modern, streamlined and effective by developing a risk-based regulatory priority management system, contribute efforts towards improving the regulatory system and assessing compliance. For example, surveillance training will be implemented for all inspectors in order to meet industry compliance, to promote continuous improvement and to develop and modernize national inspection standards and tools that are risk-based and harmonized with common international standards.

Security Threat/Incident Response Capability: Transport Canada may not always be in a position to respond to a major transportation security threat or incident in an effective and timely manner.

There are multiple players affecting transportation security. International and public confidence in the security of Canada's transportation infrastructure is critical. Risk factors include a lack of clarity in roles and responsibilities in protocols and communication channels with third party organizations on which the Department relies for intelligence and time-sensitive information; the level of understanding by other departments of Transport Canada's role in transportation security and intelligence; challenges in managing the complexity of security events of significance both nationally and internationally; and evolving requirements between the Department and third parties.

We will increase security for air passengers, air cargo and airport workers through our continued work to harmonize our security framework with those of our international partners, enhance the Air Cargo Security Program and develop a National Civil Aviation Security Program. For example, we will develop measures for security of transportation of dangerous goods by rail and trucking and implement measures to strengthen security of higher risk international bridges and tunnels. We will also enhance departmental, interdepartmental and stakeholders communications channels and protocols.

Change Management: Transport Canada may not have the capacity to manage change efficiently in its departmental culture, systems and controls.

The effective management of change and the pace of change contribute to Transport Canada's ability to achieve its strategic outcomes. Some key risk factors include changing demographics; the impact of rethinking and implementing a strategic planning framework to better support Government of Canada objectives through its policies, programs and regulations; and building synergy and cohesion between a new governance structure and current functional and regional practices while enabling results-based management.

We will continue to improve our governance by improving our capacity to optimize the use of financial and non-financial resources; enhancing our performance measurement framework to better support Government of Canada objectives; and building synergy and cohesion between new governance structures and functional and regional practices while enabling results-based management.

1.5 EXPENDITURE PROFILE

In fiscal year 2011-2012, Transport Canada plans to spend \$1,590 million to meet the expected results of its programs activities and contribute to its strategic outcomes. This represents a net increase in spending of \$241 million over the 2010-2011 forecast spending level of \$1,349 million.

The difference is related primarily to a planned spending increase of \$215 million in the Gateways and Corridors Program Activity and specifically, the Gateways and Border Crossings Fund, the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund and the Detroit River Crossing Major Crown Project. There is also a planned spending increase of \$50 million for the Airports Capital Assistance Program. The net increase in spending is offset in part by declines in spending in various other programs.

1.5.1 Departmental Spending Trend

Figure 2: Spending Trend for Transport Canada

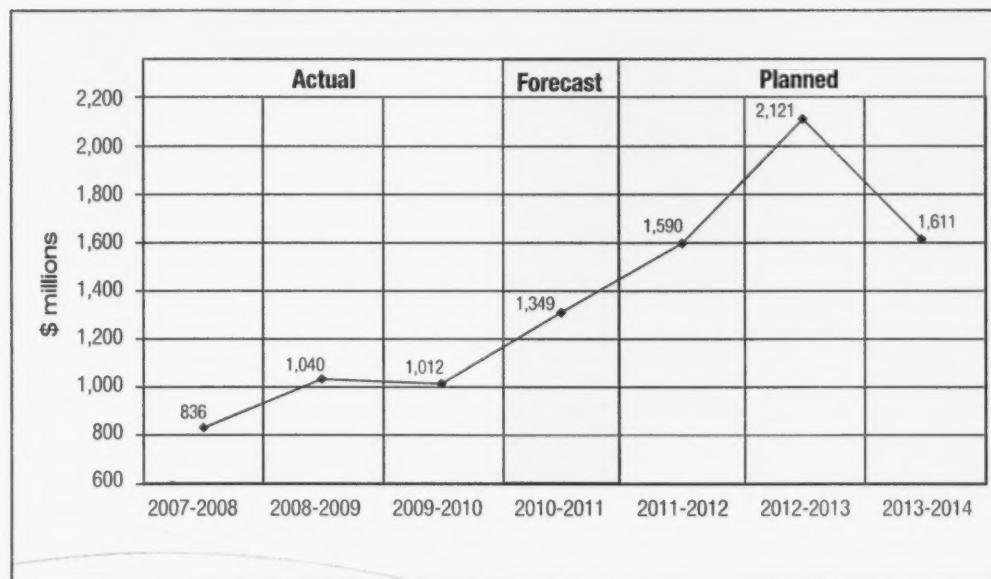


Figure 2 shows Transport Canada's expenditures (actual, forecast and planned) from 2007-2008 to 2013-2014. The trend shows an increase in spending from \$836 million in 2007-2008 to \$1,040 million in 2008-2009, a small decrease to \$1,012 million in 2009-2010 and an increase to a forecast of \$1,349 million in 2010-2011. The increased spending over this period is attributable to some of the Department's major initiatives including the Asia Pacific Gateway and Corridor Initiative and the Gateways and Border Crossings Fund.

1.5.2 Allocation of Funding by Strategic Outcome and Internal Services

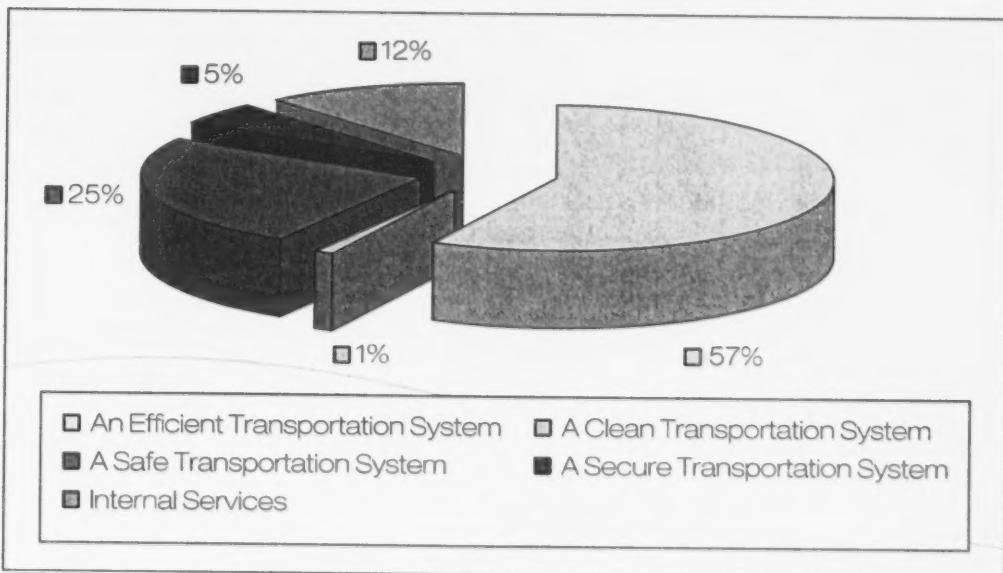
Figure 3 displays the allocation of funding according to Transport Canada's four strategic outcomes, as well as the program activity related to Internal Services. For more detailed information about Transport Canada's spending including adjustments following Main Estimates and non-respendable revenues, see Transport Canada's website.

Figure 3: Allocation of 2011-2012 Funding by Strategic Outcome and Internal Services

Strategic Outcomes (and Internal Services)	Forecast Spending	Planned Spending	Planned Spending	Planned Spending
	(\$ millions)			
	2010-2011	2011-2012	2012-2013	2013-2014
An Efficient Transportation System	570	901	1,452	942
A Clean Transportation System	71	18	12	12
A Safe Transportation System	398	402	394	396
A Secure Transportation System	77	80	74	72
Internal Services	233	189	189	189
Total*	1,349	1,590	2,121	1,611

* Due to rounding, columns may not add to the totals shown. Amounts are presented Net of Respondable Revenue.

Figure 4: Allocation of 2011-2012 Funding by Strategic Outcome and Internal Services in Percentage



As shown in Figure 4, Transport Canada's planned spending for 2011-2012 is allocated primarily to the Efficient Transportation System Strategic Outcome. As described in Section 1.5 of this report, this is mostly due to spending in the Gateways and Corridors Program Activity.

1.5.3 Voted and Statutory Items

For information on Transport Canada's votes and statutory expenditures, please visit the 2011-2012 Main Estimates publication located on the Treasury Board of Canada Secretariat website.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

As previously mentioned in this report, Transport Canada has four strategic outcomes in support of its mandate and its obligations. These are:

1. An Efficient Transportation System;
2. A Clean Transportation System;
3. A Safe Transportation System; and
4. A Secure Transportation System.

These four strategic outcomes reflect the long term and enduring benefits to Canadians that stem from Transport Canada's mandate and vision. As the Department strives towards these outcomes, we can progress in relation to expected results¹², performance indicators¹³ and targets¹⁴, as set out in Transport Canada's Program Activity Architecture structure for 2011-2012.

Performance measurement and reporting have been used across the Department in a variety of means, with differing levels of quality, and a mixture of formats. In many cases, similar performance indicators are either described or used in disparate ways which can often lead to confusion, duplication of effort, and ultimately misalignment of plans and resources. A systematic and coordinated method for developing, communicating, monitoring and reporting performance information provides a uniform foundation to achieve strategic outcomes. In an effort to better report on results of Transport Canada programs, and to demonstrate value to Canadians, we will strengthen performance indicators in our Performance Measurement Framework linked to our Program Activity Architecture.

This section explains how we plan to meet our expected results, and presents the financial and non-financial resources that will be dedicated to each program activity. It also highlights some of our initiatives included in the Federal Sustainable Development Strategy.

2.1 STRATEGIC OUTCOME: AN EFFICIENT TRANSPORTATION SYSTEM

An efficient transportation system requires a strong and modern marketplace policy framework and infrastructure to strengthen Canada's long term economic competitiveness. Canada makes strategic infrastructure investments to ensure that funds are spent where they are most needed to support economic growth and improve the quality of life of its communities and better position Canada in the rapidly changing global marketplace. Transportation infrastructure initiatives create jobs, support trade and tourism, connect

¹² Expected result is an outcome towards which Transport Canada is contributing through various activities in its Program Activity Architecture.

¹³ Performance indicator is a statistic or parameter that, tracked over time, provides information on trends in the condition of an activity.

¹⁴ Target is a specific performance goal tied to a performance indicator against which actual performance will be compared.

Canadians and attract investments. Canada promotes innovative financing arrangements for transportation infrastructure through public-private partnerships to spur innovation, better manage risks and leverage public investments to the greatest extent possible, given tight fiscal constraints in most jurisdictions.

Building on Canada's geographic and transportation system advantages, we are developing three gateway and trade corridor strategies. Gateways link Canada to its trading partners. Corridors, in turn, link gateways to each other and to major North American markets. Targeted gateways and corridor strategies encourage public and private sectors to work together to address policy, regulatory and operational impediments to efficient, secure, safe and sustainable transportation. They also increase international partnerships through outreach and marketing to strengthen Canada's competitiveness in the global marketplace.

Changing global trade flows, growing and aging populations and the effects of climate change all create challenges that demand new solutions to keep Canada's transportation system efficient, accessible and productive. International collaboration, investments in research and development, and application of new innovations and advanced technologies can make our transportation system more efficient. Innovation can also address accessibility, safety and security issues, and help reduce the environmental impact of transportation.

This Strategic Outcome is supported by three departmental priorities detailed in Section 1.3 of this report and contributes to three Government of Canada outcomes: *A Fair and Secure Marketplace*, *A Strong Economic Growth*, and *An Innovative and Knowledge-based Economy*.

The following four Program Activities support this Strategic Outcome:

- 2.1.1 Transportation Marketplace Frameworks;
- 2.1.2 Gateways and Corridors;
- 2.1.3 Transportation Infrastructure; and
- 2.1.4 Transportation Innovation.

The plans, expected results, performance indicators and targets as well as benefits to Canadians of these program activities are described below.

DID YOU KNOW?

With 48,000 kilometres of track, Canada has one of the largest rail networks in the world. There are over one million kilometres of public roads across Canada; and Canada's national highway system is made up of 38,000 kilometres of important national and regional highways.

2.1.1 Program Activity: Transportation Marketplace Frameworks

Description¹⁵: The Transportation Marketplace Frameworks Program Activity encourages transportation efficiency by fostering a competitive and viable transportation sector. Program activities include setting the regimes governing the economic behaviour of carriers in all modes of transportation; setting the rules of governance for all the transportation infrastructure providers falling under the authority of Parliament; monitoring the transportation system; and representing the interests of Canada in international transportation fora and other international bodies.

Program Activity: Transportation Marketplace Frameworks					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
62	9	62	9	62	9
Program Activity Expected Results		Performance Indicators		Targets	
A competitive and financially viable transportation sector through effective transportation marketplace frameworks		Percentage of founded Canadian Transportation Agency competitiveness complaints		Five percent reduction of complaints by 2011	

Planning Highlights

During the planning period, the Transportation Marketplace Frameworks Program Activity will continue to assess marketplace frameworks to ensure they remain modern and responsive to emerging trends so carriers and infrastructure providers can adapt, innovate and remain competitive. We will:

- continue to implement Transport Canada's Blue Sky International Air Policy, which reflects the evolving nature of the global aviation market and is aimed at encouraging the development of new markets, new services and sustainable competition while safeguarding Canada's national interests;
- assess the policy frameworks for marine transportation to ensure they support the growth of the maritime commerce; and
- respond to the Rail Freight Service Review recommendations aimed at improving the efficiency, effectiveness and reliability of Canada's rail-based logistics system.

¹⁵ The description of this Program Activity will be revised in the near future.

Benefits for Canadians

The Government of Canada aims to stimulate private investments and business activities and to maintain the integrity of the Canadian marketplace. Transport Canada will contribute to a fair and secure marketplace by modernizing marketplace frameworks, which will enable efficient, competitive and viable transportation services at competitive prices to Canadians; will contribute to accessible and reliable transportation; and will support national and international trade and travel, while balancing the relationships between carriers, shippers and consumers.

2.1.2 Program Activity: Gateways and Corridors

Description¹⁶: Guided by the National Policy Framework for Strategic Gateways and Trade Corridors, the Gateways and Corridors Program Activity aims at supporting Canada's international trade and international supply chains by creating more efficient, reliable and seamless trade-related transport systems in Canada. The Program sets strategies and frameworks for improving and integrating transportation networks in key regions; fosters partnerships between all levels of government and the private sector; supports and oversees projects that contribute to the increased capacity and efficiency of gateway and corridor infrastructure; develops and puts in place measures that remove impediments to the effective development of gateways and corridors; and promotes the use of gateways and corridors.

Program Activity: Gateways and Corridors					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
63	544	63	1,173	49	670
Program Activity Expected Results		Performance Indicators		Targets	
Enhanced level of trade through Canada's strategic gateways and trade corridors		Volume of trade through Canada's strategic gateways and trade corridors		To be determined once baseline trade projection from the Department of Foreign Affairs and International Trade Canada or the Trade Commission is obtained 5 years after project completion	

Note: The increase in planned spending of \$629 million from 2011-2012 to 2012-2013 is mainly due to an increase in planned spending on grants and contributions for the Gateways and Border Crossings Fund (\$656 million). The decrease in planned spending of \$503 million from 2012-2013 to 2013-2014 is due to the reduction in planned spending on the grants and contributions in the Gateways and Border Crossings Fund (\$215 million), the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund (\$146 million), and on the capital funding for the Detroit River International Crossing (\$138 million). The full-time equivalent reduction is mainly due to the phasing out of the Gateways and Border Crossings Fund and the Asia-Pacific Gateway and Corridor Transportation Infrastructure Fund, which are due to sunset in 2013-2014.

¹⁶ The description of this Program Activity will be revised in the near future.

Planning Highlights

During the planning period, the Gateways and Corridors Program Activity will advance Canada's competitiveness by aligning major transportation systems with the most important opportunities and challenges in international commerce. Canada's Gateways will promote a more efficient, reliable and integrated transportation system for trade. We will:

- in partnership with other federal departments and agencies, provinces and territories, municipalities, and private sector stakeholders, advance the implementation of gateway strategies, namely the Asia-Pacific Gateway and Corridor Initiative, the Ontario-Quebec Continental Gateway and Trade Corridor Strategy, the Atlantic Gateway and Trade Corridor Strategy and the value-added gateway strategy, to strengthen Canada's competitiveness in global commerce, improve efficiencies, attract new investments to the regions, and contribute to sustained long-term economic growth; and
- invest in strategic gateways and border crossings initiatives through the Gateways and Border Crossings Fund to make the transportation system supporting international trade and investment safer, more efficient and more secure. For example, we will continue to work with Ontario, the State of Michigan and the Government of the United States of America to advance the Detroit River International Crossing project from the planning to the implementation phase. This entails completing the acquisition of properties required for the new plaza and bridge, concluding an agreement with the State of Michigan for governance and procurement of the new crossing and initiating the public-private partnership procurement process jointly with the State of Michigan.

Benefits for Canadians

The Government of Canada strives to create an environment conducive to economic growth and to promote the development of all sectors of the economy and in all regions of Canada. Canadians will benefit from the economic growth and investment generated by the gateways and corridors strategies, which will create jobs and prosperity; will strengthen trade competitiveness and attract new investment; and will develop efficient, reliable and seamless trade-related transport systems. The Department will ensure value for money for the infrastructure investments in Canada's gateways and trade corridors.

2.1.3 Program Activity: Transportation Infrastructure

Description¹⁷: The Transportation Infrastructure Program Activity looks after transportation infrastructure for Canada to improve efficiency and provide service. It acts as the steward of certain commercial transportation assets operated by third parties on behalf of the federal government (e.g. airport authorities, port authorities, federal bridges, VIA Rail, Seaway, Marine Atlantic Inc.); provides funding for Canada's strategic transportation infrastructure, targeted to support federal objectives; supports essential services to some remote communities; manages legacy commitments; divests assets and contracts out operations, where needed.

¹⁷ The description of this Program Activity will be revised in the near future.

Program Activity: Transportation Infrastructure					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
276	334	247	261	234	253
Program Activity Expected Results	Performance Indicators	Targets			
Modern transportation system	Average age of transportation infrastructure (years)	By 2014, average age of highways and roads reduced by 0.5 years over 5 years. (In 2008 the average age of highways and roads was 14.4 years.)			
	Value of road and highway assets (percentage)	By 2014, value of gross capital stock ¹⁸ increased by 2 percent over 5 years			

Note: The decrease in spending of \$73 million from 2011-2012 to 2012-2013 is due to the sunsetting of the Regional and Remote Passenger Rail Services Contribution Program (\$16 million), the Ferry Services Contribution Program (\$24 million) and the Port Divestiture Fund Program (\$7 million). It is also due to a reduction in Capital funding (\$14 million) and a reduction in other various transfer payment programs (\$5 million). The decrease in spending of \$8 million from 2012-2013 to 2013-2014 is mainly due to a reduction in funding for the Oshawa Harbour Port Consolidation Project (\$5 million) and the Outaouais Road Development Agreement (\$2 million). The full-time equivalent reduction is mainly due to the sunsetting of the Port Divestiture Fund Program and in reduced resources from the Canada Strategic Infrastructure Fund.

Planning Highlights

During the planning period, the Transportation Infrastructure Program Activity will continue to renew federal transportation infrastructure and contribute funding for transportation infrastructure owned and operated by other levels of government and private sector entities. We will:

- oversee the implementation of the Marine Atlantic Inc. revitalization strategy, which provides a vital transportation link between Newfoundland and Labrador, and Nova Scotia to better serve Canadians and enhance safety and security;
- oversee the implementation of the Government's \$903 million capital investment in rail equipment and infrastructure for VIA Rail Canada Inc. in order to revitalize intercity passenger rail services in Canada; and
- invest in and successfully deliver infrastructure projects/programs with our partners, and complete investments in federal assets such as bridges.

¹⁸ Gross capital stock is the value of all fixed assets still in use, at the actual or estimated current purchasers' prices for new assets of the same type, irrespective of the age of the assets.

Benefits for Canadians

The Government of Canada has made unprecedented investments in transportation infrastructure. These investments will contribute to a sustainable, modern, efficient and accessible transportation infrastructure in all modes, including airports and ports, roads, bridges, transit, rail lines and ferries. Canadians will benefit as this will improve the safety and flow of goods, services and people, and will contribute to a stronger economy and quality of life.

2.1.4 Program Activity: Transportation Innovation

Description¹⁹: The Transportation Innovation Program Activity helps to make the Canadian transportation system more competitive by identifying opportunities, entering into research partnerships, and developing and implementing forward-looking solutions to challenges facing the Canadian transportation system. The Program sets policy and strategic direction for research and development; develops, designs, negotiates, and manages research programs for breakthrough technologies, including Intelligent Transportation System; advances the development and dissemination of scientific knowledge and the application of technology; partners and collaborates with other federal departments, provinces and territories, the academic community and many other national and international stakeholders here and abroad; and supports skills development for a highly qualified transportation workforce.

Program Activity: Transportation Innovation					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
30	14	30	9	30	9
Program Activity Expected Results		Performance Indicators		Targets	
An innovative transportation system		Number of partnership projects with external stakeholders stimulating innovation - Intelligent Transportation System projects		Number to be set according to annual plan	
		Number of partnership projects with external stakeholders stimulating innovation - Research and Development projects		Number to be set according to annual plan	

Note: Some programming in this area contributes to the Federal Sustainable Development Strategy.

¹⁹ The description of this Program Activity will be revised in the near future.

Planning Highlights

During the planning period, the Transportation Innovation Program Activity will encourage innovation in the transportation sector in support of the Advantage Canada Framework. We will:

- partner with stakeholders to help address challenges facing the transportation system, facilitate forward looking solutions, improve technology applications, and enhance transportation research capacity and encourage innovation in the transportation sector;
- align our research and development priorities in areas where Canada has strategic opportunities; and
- influence the behaviour of, and collaborate with, stakeholders to pursue intelligent transportation system solutions that contribute to federal government priorities.

Benefits for Canadians

The Government of Canada wants to prepare Canadians for future challenges by investing in innovative research and development and in specialized education and training. Canadians will benefit from Transport Canada's contribution to a knowledge-based economy through transportation innovation initiatives that will help improve the performance of the transportation system by making it more efficient, productive, competitive, more environmentally sustainable, safe and secure.

2.2 STRATEGIC OUTCOME: A CLEAN TRANSPORTATION SYSTEM

With the transportation sector producing approximately twenty-seven percent of Canada's total greenhouse gas emissions, it is important that Transport Canada takes a leadership role in ensuring an environmentally responsible transportation system while balancing safety, security and economic efficiency. This means playing a key role in furthering the transportation sector components of the Government of Canada's environmental agenda by helping reduce pollution and emissions from transportation sources; protecting the marine and freshwater environment; and fulfilling an important stewardship role of making sure that Transport Canada's lands, facilities and activities comply with environmental legislation and that an environmental management system is in place.

Transport Canada also exercises a strong leadership role as we engage with national and international partners to limit the environmental impacts of transportation. We also make contributions to the Government of Canada's initiatives to improve the federal regulatory system for major projects while ensuring improvements to our own regulatory, consultation and review processes for transportation-related projects.

This Strategic Outcome is supported by three departmental priorities detailed in Section 1.3 of this report and contributes to the Government of Canada outcome: *A Clean and Healthy Environment*.

The following three Program Activities support this Strategic Outcome:

- 2.2.1 Clean Air from Transportation;
- 2.2.2 Clean Water from Transportation; and
- 2.2.3 Environmental Stewardship of Transportation.

The plans, expected results, performance indicators and targets as well as benefits to Canadians of these program activities are described below.

DID YOU KNOW?

Transport Canada is working with industry on Canada's first and largest real-world evaluation of electric vehicles in Canada. This will help to develop codes, standards and regulations that can help the safe and timely introduction of electric vehicles in Canada.

2.2.1 Program Activity: Clean Air from Transportation

Description: Transport Canada's Clean Air from Transportation Program Activity advances the federal government's Clean Air Agenda in the transportation sector and complements other federal programs designed to reduce air emissions for the health of Canadians and the environment for generations to come. The Program regulates air emissions from the transportation sector; oversees Transport Canada's clean air program obligations and commitments; demonstrates and promotes clean transportation technologies; promotes environmentally responsible best practices and behaviours; and builds stakeholder knowledge and capacity to reduce air emissions.

Program Activity: Clean Air from Transportation					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
24	5	24	3	24	3
Program Activity Expected Results	Performance Indicators	Targets			
A transportation system that is less intensive in its emissions of greenhouse gases and air pollutants	Freight and passenger transportation emission intensity ²⁰ (tonnes of CO ₂ equivalent per passenger-kilometre)	An intensity improvement that is consistent with targets established under the federal government's horizontal approach for clean air			
	Freight and passenger transportation emission intensity (tonnes of CO ₂ equivalent per passenger-trip)				
	Freight and passenger transportation emission intensity (tonnes of CO ₂ equivalent per tonne-kilometre (freight))				

Note: Some programming in this area contributes to the Federal Sustainable Development Strategy.

Planning Highlights

During the planning period, the Clean Air from Transportation Program Activity will contribute to the federal government's environmental agenda through regulatory and non-regulatory initiatives designed to reduce air emissions from transportation. We will:

- develop new emission regulations for criteria air contaminants²¹ emissions from locomotives, under the *Railway Safety Act* to take effect in 2011;
- advance the development and the implementation of air emissions regulations for vessels operating in the North American Emission Control Area and for vessels operating in the Great Lakes and St. Lawrence Seaway;
- lead the Government of Canada's participation at the International Maritime Organization and at the International Civil Aviation Organization to develop a program of action to limit or reduce greenhouse gas emissions from international shipping and international aviation; and
- conclude the remaining programs under the ecoTRANSPORT Strategy (2007-2012) to protect our environment and further our economic prosperity.

20 Emission intensity is the amount of a pollutant emitted per unit of activity.

21 Air issues such as smog and acid rain result from the presence of, and interactions between, a group of pollutants known as criteria air contaminants and some related pollutants. Criteria air contaminants refer to a group of pollutants that include sulphur oxides, nitrogen oxides, particulate matter, volatile organic compounds, carbon monoxide and ammonia.

Benefits for Canadians

The Government of Canada strives to ensure that the country's environment is protected, and that natural resources are used in a way that preserve them for future generations.

Transport Canada will contribute to a clean and healthy environment. We will participate in achieving domestic and international environmental objectives. Canadians will benefit from reduced air emissions.

2.2.2 Program Activity: Clean Water from Transportation

Description: Guided by the *Canada Shipping Act, 2001*, the *Arctic Waters Pollution Prevention Act*, the *Marine Liability Act* and international conventions, the Clean Water from Transportation Program Activity helps to protect the marine environment and the health of Canadians by reducing the pollution of water from transportation sources. The Program regulates and monitors the impact of discharges from marine vessels into the marine environment; regulates ballast²² water; and contributes to setting domestic and international rules that govern limits to liability of marine pollution incidents.

Program Activity: Clean Water from Transportation					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
15	6	13	3	13	3
Program Activity Expected Results		Performance Indicators		Targets	
Canadian waters protected from discharges of transportation pollutants		Percentage of ship source pollution spills identified per total pollution spills detected by National Aerial Surveillance Program aircraft		Two percent reduction in ship-source pollution spills annually from the previous year, from the 2003-2004 baseline	
Transfer of alien aquatic species into domestic water through ship ballast water prevented		Percentage of vessels in compliance with ballast water control and management regulations reporting rules		Ninety-five percent compliance subject to revision once baseline is established	

Note: Some programming in this area contributes to the Federal Sustainable Development Strategy.

²² Ballast is defined as any solid or liquid that is brought on board a vessel to increase the draft, change the trim, regulate the stability or maintain stress loads within acceptable limits.

Planning Highlights

During the planning period, the Clean Water from Transportation Program Activity will protect the marine environment by contributing to the reduction of water pollution from transportation sources. We will:

- support international standards and enhance domestic regulations to prevent pollution from vessels operating in Canadian waters, including the implementation and enforcement of international standards through inspections and aerial surveillance;
- adopt measures to further protect the environment from the introduction of invasive species into Canada's water from vessels operating both domestically and internationally, and work towards compatible approaches in Canada and the United States to manage ballast water discharges in the Great Lakes and St. Lawrence Seaway system; and
- advance the development of a national regime to prepare for and respond to marine incidents involving hazardous and noxious substances, and work towards establishing a liability and compensation regime.

Benefits for Canadians

Canadians care for the environment and have taken actions to protect and conserve it. Transport Canada will help reduce water pollution and prevent invasive species from entering Canada via transportation; will decrease the risk and impact of a shipping casualty, will provide savings in environmental clean-up and ship repair costs, and will increase safety.

2.2.3 Program Activity: Environmental Stewardship of Transportation

Description: The Environmental Stewardship Program Activity fulfills Transport Canada's responsibilities in working towards a cleaner and healthier environment for Canadians, with regard to its own operations. These responsibilities include managing contaminated sites and fulfilling environmental responsibilities at Transport Canada owned or operated ports and airports. The program develops and implements programs for Transport Canada activities that further environmental objectives and promote sustainable transportation; provides functional support for environmental assessments, including for major resource projects; and promotes compliance with environmental laws, federal government policies and best practices in Transport Canada's stewardship activities.

Program Activity: Environmental Stewardship of Transportation					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
52	7	49	6	49	6
Program Activity Expected Results		Performance Indicators		Targets	
Transport Canada aware of, and responsive to environmental impacts of its activities		Percentage of compliance with applicable laws, regulations and guidelines		One hundred percent compliance by 2011	

Note: Some programming in this area contributes to the Federal Sustainable Development Strategy.

Planning Highlights

During the planning period, the Environmental Stewardship of Transportation Program Activity will work towards a cleaner environment for Canadians, including Transport Canada's operations. We will:

- create an integrated process to ensure that legislative and regulatory instruments are modern, streamlined and effective;
- exercise environmental stewardship of Transport Canada lands and activities, which includes making sure that our own airports, ports and other operations comply with environmental legislation such as the *Canadian Environmental Protection Act*, *Fisheries Act*, and the *Canadian Environmental Assessment Act*; and
- participate in the Federal Sustainable Development Strategy and contribute to the Greening Government Operations targets under the fourth goal area – Shrinking the Environmental Footprint – Beginning with Government. To learn more about Transport Canada's activities, please see Section 4.1 of this report and the Departmental Sustainable Development Strategy website.

Benefits for Canadians

As all private businesses, governments and Canadians have the responsibility to contribute to a cleaner environment, Transport Canada will support an environmental management and oversight role of assets under its responsibility and will make the Department aware of, and respond to the environmental impacts of its activities. The combined efforts will ultimately benefit all Canadians with a cleaner environment.

2.3 STRATEGIC OUTCOME: A SAFE TRANSPORTATION SYSTEM

Transport Canada supports a safe transportation system across all sectors and modes of transportation. We operate in an ever-changing environment. So, as a federal regulator, Transport Canada must be in a position to address changes to the Canadian transportation system by amending and proposing legislation and regulations in a swift and efficient manner. While Transport Canada regulates the Canadian transportation system, it is up to companies and individuals to ensure that they comply with transportation regulations. While enforcement is effective at ensuring companies comply on the day of an inspection, enabling a safety culture seeks to make safety a part of a company's every action.

The aim of a safe transportation system is the safe passage of people and goods across Canada. Transportation safety is further enhanced by harmonized and streamlined regulatory regimes that are informed by the expertise of multiple countries. Sharing best practices and cooperating in research during the regulatory development stage results in effective and efficient regulatory frameworks, which are a significant benefit to transportation safety.

This Strategic Outcome is supported by three departmental priorities detailed in Section 1.3 of this report and contributes to the Government of Canada outcome: *A Safe and Secure Canada*.

The following five Program Activities support this Strategic Outcome:

- 2.3.1 Aviation Safety;
- 2.3.2 Marine Safety;
- 2.3.3 Rail Safety;
- 2.3.4 Road Safety; and
- 2.3.5 Transportation of Dangerous Goods.

The plans, expected results, performance indicators and targets as well as benefits to Canadians of these program activities are described below.

DID YOU KNOW?

Canada has almost 46,000 registered vessels that are less than 15 gross tons ("small" vessels), almost 73 percent of the total registered tonnage. Marine Safety is developing tools to help small commercial vessel owners and operators fully understand and follow the regulations that apply to foster a safer environment for passengers and crews.

2.3.1 Program Activity: Aviation Safety

Description: The Aviation Safety Program Activity develops, administers and oversees the policies, regulations and standards necessary for the safe conduct of civil aviation within Canada's borders in a manner harmonized with the international aviation community.

Program Activity: Aviation Safety					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
1,864	240	1,864	242	1,864	246
Program Activity Expected Results	Performance Indicators		Targets		
A safe civil aviation system	Number of accidents per 100,000 hours of flight for Canadian registered aircraft operating under the Canadian Aviation Regulations		Maintain 2000-2009 average: 6.4 accidents per 100,000 hours flown		
	Number of accidents for training and recreational flights		Maintain accident numbers using 2007 baseline: 29.6 accidents for flight training; 277.8 accidents for recreational aviation		

Note: Transport Canada is currently developing an aviation safety risk profile. The profile will be based on risk factors identified over a five-year period in the Transportation Safety Board accident investigation reports. This will allow us to use risk profile related targets to more accurately gauge our efficiency and effectiveness as a regulator.

Planning Highlights

During the planning period, the Aviation Safety Program Activity will continue to strive for the highest level of aviation safety for Canadians. We will:

- continuously improve the civil aviation safety program through program evaluation, education, training, reporting, safety data collection, and harmonization with other aviation authorities to ensure civil aviation continues to be as safe as possible, which will strengthen and standardize the approach to safety oversight;
- adapt safety management systems implementation strategies to respond to the needs of industry and employees, and expand the recognition of the Canadian regulatory framework internationally, which will contribute to a focused and adaptive regulatory framework; and
- continue to fund airport safety related capital projects, and develop safety management systems regulations and tools that promote a positive safety culture in organizations holding a civil aviation certificate, which will enable a safety culture in the Canadian transportation sector.

Benefits for Canadians

Canadians benefit from having one of the safest aviation systems in the world. In fact, Canada is recognized internationally as having one of the best aviation safety records. Transport Canada is a key contributor to this record because it regulates the aviation industry so that aeronautical products are designed, manufactured, operated and maintained to ensure safe operation; certificate holders maintain training and licensing requirements; certified aerodromes and Canadian airspace are safe to use; Canada meets or exceeds international standards to improve Canadian competitiveness in the global marketplace; and Canadians and the rest of the world have trust and confidence in the Canadian civil aviation transportation system. The safety of the travelling and the non-travelling public is of prime importance and Transport Canada will instill trust and confidence in a sustainable Canadian air transportation system.

2.3.2 Program Activity: Marine Safety

Description: The Marine Safety Program Activity, protects the life and health of Canadians by providing a safe and efficient marine transportation system. This Program derives its authority from a number of Acts, the *Canada Shipping Act 2001*, the *Navigable Waters Protection Act*, the *Safe Containers Act*, the *Pilotage Act*, the *Coasting Trade Act* and the *Arctic Waters Pollution Prevention Act*, to develop and enforce a marine safety regulatory framework for the domestic and foreign vessels, as well as pleasure craft; enforce international conventions signed by Canada; and protect the public right to navigation on Canada's waterways.

Program Activity: Marine Safety					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
652	74	633	69	633	68
Program Activity Expected Results		Performance Indicators		Targets	
A safe marine transportation system		Number of commercial marine accidents (includes shipping accidents and accidents aboard ship for both domestic and foreign vessels)		Five year target represents a 5 percent decrease in accidents. Interim targets are linear towards this final target (Interim target: 457 by December 2012)	
		Number of commercial marine fatalities (includes shipping accidents and accidents aboard ship for both domestic and foreign vessels)		Five year target represents a 15 percent decrease in fatalities. Interim targets are linear towards this final target (Interim target: 19.6 by December 2012)	

Planning Highlights

During the planning period, the Marine Safety Program Activity will contribute to an efficient and sustainable marine transportation system in which the public can have continued confidence. We will:

- continue the development and the modernization of national marine safety standards and tools that are risk-based, harmonized with international marine standards, and implemented in a consistent manner, which will strengthen and standardize the approach to safety oversight;
- develop a harmonized and effective regulatory framework and policies to protect life, health, property and the environment and to promote a viable efficient and economical marine transportation system and commerce, which will contribute to a focused and adaptive regulatory framework; and
- continue the implementation of marine safety management systems for the Canadian domestic fleet, which will enable a safety culture in the Canadian transportation sector.

Benefits for Canadians

Marine transportation is the dominant mode used to move goods in overseas trade for Canada. Transport Canada will contribute to the safety of Canada because it will regulate and oversee the marine industry so that it meets national and international vessel safety standards; officers and crews of commercial vessels are fit, competent and operate in a safe environment; only trained and certified pilots carry out the pilotage of vessels to maintain navigation safety and protect the environment; and will ensure that vessels and ownership information is accessible through the registration of commercial vessels.

2.3.3 Program Activity: Rail Safety

Description: Under the authority of the *Railway Safety Act*, the Rail Safety Program Activity develops, implements and promotes safety policy, regulations, standards and research. The Program provides oversight of the rail industry and promotes public safety at crossings and identifies the risks of trespassing. It also provides funds to improve safety at grade crossings.

Program Activity: Rail Safety					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
209	38	209	37	209	37
Program Activity Expected Results	Performance Indicators	Targets			
A safe rail transportation system	<p>Number of rail accidents (Accidents that occur on railways under federal jurisdiction. Reportable accidents include main-track collisions, derailments, non-main track derailments and collisions, fires/explosions and others.)</p> <p>Number of rail incidents (Incidents that occur on railways under federal jurisdiction. Reportable incidents include main-track switch in abnormal position, movement exceeds limits of authority, dangerous goods leaker, crew member incapacitated, runaway rolling stock, signal less restrictive than required and unprotected overlap of authorities.)</p>	<p>Five percent reduction by 2015 in the number of accidents based on a five year average commencing in 2011 (Interim Target: 1,326 by December 2012)</p> <p>Five percent reduction by 2015 in the number of incidents based on a five year average commencing in 2011 (Interim Target: 228 by December 2012)</p>			

Planning Highlights

During the planning period, the Rail Safety Program Activity will continue to further improve railway safety in Canada. We will:

- improve the national inspector training program to provide rail safety inspectors with clear and consistent direction on how to perform safety management systems audits to validate industry compliance, and to promote continuous improvement, which will strengthen and standardize the approach to safety oversight;
- develop regulations, which in support of Bill C-33, the *Safer Railways Act*, will provide clear direction to the rail industry and enhance the Department's powers of oversight and enforcement, which will contribute to a focused and adaptive regulatory framework; and

- build upon the development of the definitions and guiding principles for “safety culture” within the rail industry to help railways implement the safety culture components of the safety management systems, including a non-punitive reporting system/policy, which will enable a safety culture in the Canadian transportation system.

Benefits for Canadians

Canadians benefit from Transport Canada’s rail safety partnerships that work to reduce the loss of life, injuries and damages caused by train derailments, highway/railway crossing collisions and train/pedestrian incidents. For example, as part of the ongoing Grade Crossing Improvement Program, the Minister approved funding of \$11 million for over 150 projects nationwide to add gates, flashing lights and bells to existing railway crossings in Canadian communities. Transport Canada will also create and apply an appropriate regulatory framework to oversee the rail industry in a fair and transparent manner so that rail legislation and regulatory requirements are monitored and enforced as necessary; rail crews are competently trained and able to carry out their duties in a safe manner; and rail equipment and infrastructure meet all applicable safety regulatory requirements.

2.3.4 Program Activity: Road Safety

Description: Guided by the *Motor Vehicle Safety Act* and the *Motor Vehicle Transport Act*, the Road Safety Program Activity develops standards and regulations, provides oversight and engages in public outreach in order to reduce the deaths, injuries and social costs caused by motor vehicle use, and improve public confidence in the safety of Canada’s road transportation system.

Program Activity: Road Safety					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
114	24	114	22	114	25
Program Activity Expected Results		Performance Indicators		Targets	
Safe roads		Fatality Rate (Number per billion vehicle kilometres travelled)		Achieve directional downward trends in the rate based on the number of fatalities and serious injuries	
		Injury Rate (Number per billion vehicle kilometres travelled)			

Planning Highlights

During the planning period, the Road Safety Program Activity will continue to pursue safety on Canadian roads from the use of motor vehicles in Canada. We will:

- develop the federal component of the approved national *Road Safety Strategy 2015*, a joint federal-provincial-territorial strategy, which will strengthen and standardize the approach to motor vehicle safety oversight. The Strategy is a best practices document that governments will apply to achieve a continuous downward trend in road casualties;
- harmonize key vehicle safety standards (occupant protection, theft protection, tires) with international standards priorities to benefit manufacturers and end consumers, which will contribute to a focused and adaptive regulatory framework; and
- in conjunction with the 2011 Year of Road Safety, develop and implement a series of public events, news releases and information products on road safety to reach out more effectively to Canadians, which will enable a safety culture in the Canadian transportation system.

Benefits for Canadians

Transport Canada will contribute to road safety as we raise public awareness of road safety issues; improve communication, cooperation and collaboration among road safety agencies; collect reliable safety data to help determine the best ways to reduce the number of road collisions; toughen enforcement measures; and put legislation in place and develop standards and regulations that enhance safety for motor vehicle occupants, as well as pedestrians and cyclists. Transport Canada will develop its own plan to address its role and initiatives based on the new *Road Safety Strategy 2015*, which aims to achieve a national continuous downward trend in road casualties and increase road safety.

2.3.5 Program Activity: Transportation of Dangerous Goods

Description: Required by the *Transportation of Dangerous Goods Act, 1992*, the Transportation of Dangerous Goods Program Activity, based on risk, develops safety standards and regulations, provides oversight and gives expert advice (e.g. Canadian Transport Emergency Centre) on dangerous goods incidents to promote public safety in the transportation of dangerous goods by all modes of transport in Canada; identify threats to public safety, and enforce the *Act* and its regulations; guide emergency response and limit the impact of incidents involving the transportation of dangerous goods; and develop policy and conduct research to enhance safety.

Program Activity: Transportation of Dangerous Goods					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
125	13	125	13	125	13
Program Activity Expected Results	Performance Indicators	Targets			
Public safety during the transportation of dangerous goods	Number of releases of dangerous goods from means of containment during normal conditions of transport per trillion dollars of Gross Domestic Product	Five percent reduction per year based on 2008 value (Interim Target: 5.9 by September 2012)			
	Number of reportable releases of dangerous goods per trillion dollars of Gross Domestic Product	Five percent reduction per year based on 2008 value (Interim Target: 221.1 by September 2012)			
	Number of reportable releases of dangerous goods, which caused injuries or deaths per trillion dollars of Gross Domestic Product	Five percent reduction per year based on 2008 value (Interim Target: 3.8 by September 2012)			

Planning Highlights

During the planning period, the Transportation of Dangerous Goods Program Activity will work to ensure public safety in the transportation of dangerous goods. We will:

- improve the transportation of dangerous goods inspector training program to provide inspectors with a consistent approach to oversight through standardized and uniformity for all jurisdictions, which will strengthen and standardize the approach to safety oversight;
- develop and review memoranda of understanding with other departments and governments to improve data collection to support the development of harmonized and risk-based regulations, which will contribute to a focused and adaptive regulatory framework; and
- develop a systematic awareness program to increase public knowledge of the *Transportation of Dangerous Goods Act*, regulations and standards to enhance stakeholders' compliance, which will enable a safety culture in the Canadian transportation sector.

Benefits for Canadians

Transport Canada will work to protect the health and property of Canadians and the environment from the release of dangerous goods. Through a regulatory framework, an oversight program and support in emergency response, the Department will ensure that persons involved in any aspect of the transportation of dangerous goods greatly reduce the risks of injuries or deaths due to releases, reduce damage to the environment, property or risks to health by complying with regulations and standards.

2.4 STRATEGIC OUTCOME: A SECURE TRANSPORTATION SYSTEM

A secure transportation system supports a strong Canadian economy and the country's competitiveness in global markets. As a trading nation, Canada must move people and goods across vast distances to world markets, and the number of people traveling by air, sea and land increases every year. International and public confidence in the security of Canada's transportation infrastructure is critical.

Transport Canada promotes a holistic approach to security. We develop policies, programs, regulations, and enforce these regulations in response to emerging security risks. Our role is diverse and complex, as reflected in the many activities that include enhancing the security of urban transit systems, railways, ports and airports across Canada. Through these activities, we work with both our national and international partners to advance a shared and effective transportation security agenda.

This Strategic Outcome contributes to all four departmental priorities detailed in Section 1.3 of this report and contributes to the Government of Canada outcome: *A Safe and Secure Canada*.

The following three Program Activities support this Strategic Outcome:

- 2.4.1 Aviation Security;
- 2.4.2 Marine Security; and
- 2.4.3 Surface and Intermodal Security.

DID YOU KNOW?

Approximately 50 million passengers are screened at Canadian airports each year.

The plans, expected results, performance indicators and targets as well as benefits to Canadians of these program activities are described below.

2.4.1 Program Activity: Aviation Security

Description: The Aviation Security Program Activity develops, administers and oversees policies, programs, regulations and standards necessary for a secure Canadian aviation system in a manner harmonized with the international aviation community.

Program Activity: Aviation Security					
Human Resources (Full-Time Equivalents (FTEs) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
375	51	382	49	368	47
Program Activity Expected Results		Performance Indicators		Targets	
A secure aviation system		Aviation Security Index		Composite index ²³ of level of aviation security in development	
Level of credibility of aviation security internationally		Number of aviation security regulatory framework adjustments to achieve international acceptance		Two adjustments by March 2012	
Public confidence in the security of the aviation transportation system		Aviation Security Survey Rating (percentage)		Ninety percent of respondents in a national survey reporting confidence in the security of Canada's aviation system	

Planning Highlights

During the planning period, the Aviation Security Program Activity will support a secure aviation system. We will:

- maintain a secure aviation security system, including monitoring and responding to priority risks and evolving threats on a continuing basis, and better align Transport Canada's measures with international security requirements;
- continue the implementation of a strengthened air cargo security program including the development of a secure supply chain; and
- take a staged approach to implementing aviation security programs with an immediate priority on requirements for airports, i.e. Gazette II²⁴ for both phases of the proposed regulations; the completion of security program requirements and the initiation of regulated security program requirements for air carriers.

²³ Composite index usually has a large number of factors, which are averaged together to form a product representative of an overall market or sector.

²⁴ Gazette II. The Canada Gazette is one of the vehicles that Canadians can use to access the laws and regulations that govern their daily lives. Government departments and agencies as well as stakeholders from the private sector are required by law to publish certain information in the Canada Gazette. Gazette II refers to official regulations.

Benefits for Canadians

Canada has one of the most secure transportation systems in the world and works to enhance the security of these systems by continually responding to security needs. Transport Canada will align the security of the aviation system with risk so that Canadians can continue to enjoy broad access to the flights and air cargo they want, with minimal costs, delays or hassles; Canadians or their property will be protected as best as possible from a terrorist attack while travelling by air; we will minimize the possibility of the aviation system being used as a means to threaten Canadian allies; Canada's aviation security will continue to be equal to or better than that of our international trading partners; and the aviation system will respond and recover quickly in the event of a security incident.

2.4.2 Program Activity: Marine Security

Description: The Marine Security Program Activity, with partners, enforces the *Marine Transportation Security Act* to protect Canada and Canadians in a way that respects Canadian values. It safeguards integrity and security, and preserves the efficiency of Canada's marine transportation system against unlawful interference, terrorist attacks, or from being used as a means to attack our allies.

Program Activity: Marine Security					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
174	22	140	19	140	19
Program Activity Expected Results		Performance Indicators		Targets	
Increased public/industry confidence in marine transportation security		Marine Security Survey Rating (percentage)		Target to be established in 2011, following the collection of baseline data	
Increased international acceptance of Marine Security Program		Number of regulatory framework adjustments to meet international standards (regulations and policies)		Target to be established in 2011, following the collection of baseline data	

Planning Highlights

During the planning period, the Marine Security Program Activity will support a secure marine system. We will:

- advance the Marine Security Strategy as we review and develop strategies, action plans related to interdepartmental information sharing, waterside security, maritime domain awareness, maritime commerce resumption, supply chain security, marine penalties and prohibitions, small vessels and arctic security;
- review and update the marine transportation security regulations, including the harmonization with Transport Canada's international partners and the United States; and
- achieve full operational capability for both Coastal and Great Lakes Marine Security Operations Centres.

Benefits for Canadians

Transport Canada will work collaboratively to increase its ability to detect threats and prevent incidents through ongoing analysis about the vessels, facilities and people that make up the marine transportation system, as well as an analysis with respect to the likelihood of the system being targeted by any person or group. This benefits Canadians because it helps to minimize the possibility of the marine system being threatened, attacked or used as a means of attack against our allies, and lowers the number of marine security incidents. The Department will also strengthen incident recovery so we can respond and help industry recover in a swift and coordinated manner in the event of an incident. We will ensure that security is aligned to risks so that marine security laws, regulations, policies and procedures are appropriate to the level of risk in the system, and that programs can be ramped up or scaled down as necessary.

2.4.3 Program Activity: Surface and Intermodal Security

Description: Guided by the *Railway Safety Act*, the *International Bridges and Tunnels Act*, the *Transportation of Dangerous Goods Act* and the federal government's transportation security mandate, the Surface and Intermodal Security Program Activity enhances the security of surface and intermodal transportation such as rail and urban transit and international bridges and tunnels. Working with partners to protect Canada and Canadians in a way that respects Canadian values and preserves the efficiency of the transportation system, the Program provides federal leadership, and develops and enforces regulatory and voluntary frameworks (regulations, codes of practice, memoranda of understanding).

Program Activity: Surface and Intermodal Security					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
41	7	41	6	41	6
Program Activity Expected Results	Performance Indicators	Targets			
Urban transit operators adopt Codes of Practice	Percentage of Category 1 Urban Transit Operators who adopt the Codes of Practice (Category 1 is 11 operators in 6 major urban centres)	Interim Target: 0.25 by March 2012			
Rail transportation operators (passenger and freight) implement the requirements of the voluntary framework	Percentage of Category 2 Urban Transit Operators who adopt the Codes of Practice (Category 2 is operators outside 6 major urban centres)	Interim Target: 0.1 by March 2012			
	Percentage of Rail Transportation Operators who implement the Voluntary Security Framework (as per the terms of the Memorandum of Understanding between the Railway Association of Canada and the Minister of Transport)	One hundred percent adoption by March 2012			

Planning Highlights

During the planning period, the Surface and Intermodal Security Program Activity will enhance the security of surface and intermodal transportation. We will:

- develop security measures for the transportation of dangerous goods by rail and trucking;
- strengthen security of higher risk international bridges and tunnels; and
- bolster engagement with the United States on surface and intermodal security issues including supply chain security, and promote security within Canada's intercity bussing system.

Benefits for Canadians

Within the rail and urban transit community, Transport Canada has focused on establishing partnerships and building a common understanding of requirements to protect Canadians and their communities. Transport Canada will raise industry awareness of security issues; will improve communication, cooperation and collaboration on security issues among transportation operators such as railways, trucking companies, bus lines and public transit authorities; will work with international and domestic partners to strengthen surface and multi-modal transportation security requirements; and will make sure that the system has the ability and capacity to resume the efficient movement of people and goods in the event of a terrorist attack.

2.5 PROGRAM ACTIVITY: INTERNAL SERVICES

Description: The Internal Services Program Activity include activities and related resources that are managed to support all strategic outcomes and program needs, as well as other departmental obligations. Only activities and resources that apply to the entire organization, and not those allocated to a single program, are included. Governance and Management Support Services include Management and Oversight Services²⁵, Communications Services and Legal Services. Resource Management Services include human resources management, financial management; information management and information technology services. Asset Management Services include real property, material and acquisition services.

Program Activity: Internal Services					
Human Resources (Full-Time Equivalents (FTEs)) and Planned Spending (\$ millions)					
2011-12		2012-13		2013-14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
1,317	189	1,304	189	1,296	189
Program Activity Expected Results		Performance Indicator		Target	
Internal Services groups provide efficient services to the Department		Satisfaction rate of Internal Services clients		Satisfaction rate equal or superior to 85 percent	

²⁵ Management and Oversight Services include the following service groupings: Strategic Policy and Economic Analysis, Government Relations, Executive Services, Corporate Planning and Reporting, Programs and Services Management, Internal Audit, Evaluation and Crown Corporation Governance.

Planning Highlights

During the planning period, the Internal Services Program Activity will continue to manage activities and related resources to meet program and departmental needs. We will:

- strengthen the coordination within the Transport, Infrastructure and Communities Portfolio;
- continue to support the Public Service renewal priorities with a focus on talent management and employee engagement; and
- as required by the *Canada Transportation Act*, conduct an expanded and more comprehensive review of the state of transportation in Canada, which is required every five years, to be tabled in Parliament.

Benefits to Canadians

Internal Services will contribute to the efficient and effective delivery of Transport Canada programs by providing support services, expertise and advice that enable informed decision-making and promote good public service management. Internal Services will adapt to the changing needs of Transport Canada. This will allow the Department to better serve the public interest by promoting a safe, secure, efficient and environmentally responsible transportation system in Canada. Canadians benefit from the increased efficiencies within the Department that directly contribute to the achievement of departmental strategic outcomes.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 FINANCIAL HIGHLIGHTS

For more information on Transport Canada's financial statements, please visit our website.

3.1.1 Future-Oriented Condensed Statement of Operations

Future-Oriented Condensed Statement of Operations For the Year Ended March 31, 2012 (\$ millions)	
	Future-Oriented 2011-12
Expenses	
Total Expenses	1,789
Revenues	
Total Revenues	395
Net Cost of Operations	1,394

These figures are prepared on an accrual basis and therefore differ from the planned spending numbers in other sections of this Report on Plans and Priorities.

3.2 SUPPLEMENTARY INFORMATION TABLES

The following tables were submitted electronically. You can find all the 2011-2012 Report on Plans and Priorities electronic Supplementary Information Tables on the Treasury Board of Canada Secretariat website.

- Details on Transfer Payment Programs
- Greening Government Operations
- Horizontal Initiatives
- Upcoming Internal Audits and Evaluations
- Sources of Respondable and Non-Respondable Revenue
- Status Report on Transformational and Major Crown Projects
- Summary of Capital Spending by Program Activity

SECTION IV – OTHER ITEMS OF INTEREST

4.1 SUSTAINABLE DEVELOPMENT

Based on the Federal Sustainable Development Strategy, Transport Canada will:

- provide more specific information on Transport Canada activities that support the Federal Sustainable Development Strategy;
- strengthen the application of strategic environmental assessments by ensuring that the Government's environmental goals are taken into account when pursuing social and economic goals; and
- pursue best reporting practices on summary information on the results of strategic environmental assessments linked to the Federal Sustainable Development Strategy goals and targets to make environmental decision-making more transparent.

To learn more about Transport Canada's activities to support sustainable development, please visit our website, and for complete details on the Federal Sustainable Development Strategy, please visit Environment Canada's website.

4.2 GENDER-BASED ANALYSIS

Consistent with the Canadian government's commitment at the United Nations Fourth World Conference on Women in 1995, Transport Canada will systematically integrate gender-based analysis into its policy, planning and decision-making processes. The Department will analyze the impact its policies, programs and activities might have on people because of their gender and will take into consideration the differences in obstacles, barriers and conditions faced by men and women in all their diversity, so that the overarching goal of gender equality will be attained in all aspects of its mandate and responsibilities.

4.3 RELEVANT WEBSITES

Acts and Regulations

<http://laws.justice.gc.ca/en/>

Advantage Canada Framework

<http://www.fin.gc.ca/ec2006/plan/pltoc-eng.asp>

Airports Capital Assistance Program

<http://www.tc.gc.ca/eng/programs/airports-acap-menu-327.htm>

Asia-Pacific Gateway and Corridor Initiative

<http://www.pacificgateway.gc.ca/index2.html>

Atlantic Gateway and Trade Corridor Strategy

<http://www.atlanticgateway.gc.ca/index2.html>

Aviation Safety Program Activity

<http://www.tc.gc.ca/eng/civilaviation/opssvs/aviationsafety-menu.htm>

Aviation Security Program Activity

<http://www.tc.gc.ca/eng/aviationsecurity/menu.htm>

Blue Sky International Air Policy

<http://www.tc.gc.ca/eng/policy/ace-consultations-bluesky-745.htm>

Cabinet Directive on Streamlining Regulation

<http://www.tbs-sct.gc.ca/ri-qr/directive/directive01-eng.asp>

Canada's Gateways

<http://www.canadasgateways.gc.ca/index2.html>

Canadian Aviation Regulations

<http://www.tc.gc.ca/eng/civilaviation/regserv/cars/menu.htm>

Canadian Transport Emergency Centre

<http://www.tc.gc.ca/eng/canutec/menu.htm>

Departmental Sustainable Development Strategy

<http://www.tc.gc.ca/eng/policy/acs-sd-dsds-2615.htm>

Detroit River International Crossing

<http://www.tc.gc.ca/eng/mediaroom/infosheets-menu-5921.htm>

ecoTRANSPORT

<http://www.ecoaction.gc.ca/ecotransport/index-eng.cfm>

Environment Canada

<http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=E19EE696-1>

Federal Sustainable Development Strategy

<http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1>

Finance and Administration

<http://www.tc.gc.ca/eng/corporate-services/finance-menu.htm>

Gateways and Border Crossings Fund

<http://www.tc.gc.ca/eng/policy/acg-acgd-menu-infrastructure-2170.htm>

Gateways and Corridors Program Activity

<http://www.tc.gc.ca/eng/innovation-gateways-and-corridors.htm>

International Civil Aviation Organization

<http://www.tc.gc.ca/eng/mediaroom/backgrounder-menu-icao-6087.htm>

International Maritime Organization

<http://www.tc.gc.ca/eng/marinesafety/rsqa-imo-menu-1877.htm>

Main Estimates

<http://www.tbs-sct.gc.ca/est-pre/estime.asp>

Marine Atlantic Inc.

<http://www.marine-atlantic.ca/en/company/company.shtml>

Marine Safety Program Activity

<http://www.tc.gc.ca/eng/marinesafety/menu.htm>

Marine Security Program Activity

<http://www.tc.gc.ca/eng/marinesecurity/menu.htm>

National Policy Framework for Strategic Gateways and Trade Corridors

<http://www.canadasgateways.gc.ca/NationalPolicyFramework/nationalpolicy.html>

The New Wave: Marine Safety's Strategic Plan 2009-2015

<http://www.tc.gc.ca/eng/marinesafety/tp-tp13111-minister-2201.htm>

Ontario-Quebec Continental Gateway and Trade Corridor Strategy

<http://www.continentalgateway.ca/index2.html>

Operation Lifesaver

<http://www.operationlifesaver.ca/>

Policy on Management of Resources, Results and Structures

<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18218§ion=text>

Rail Safety Program Activity

<http://www.tc.gc.ca/eng/railsafety/menu.htm>

Road Safety Program Activity

<http://www.tc.gc.ca/eng/roadsafety/menu.htm>

Surface and Intermodal Security Program Activity

<http://www.tc.gc.ca/eng/railsecurity/pruts-menu.htm>

Transport Canada Website

<http://www.tc.gc.ca>

Transport, Infrastructure and Communities Portfolio

<http://www.tc.gc.ca/eng/aboutus-abouttic.htm>

Transportation of Dangerous Goods Program Activity

<http://www.tc.gc.ca/eng/tdg/safety-menu.htm>

Transportation and the Environment

<http://www.tc.gc.ca/eng/environment-menu.htm>

Transportation in Canada Annual Report

<http://www.tc.gc.ca/eng/policy/report-aca-anre2009-index-2292.htm>

Transportation Innovation Program Activity

<http://www.tc.gc.ca/eng/innovation-menu.htm>

Transportation Marketplace Frameworks Program Activity

<http://www.tc.gc.ca/eng/innovation-programs.htm>

Treasury Board of Canada Secretariat

<http://www.tbs-sct.gc.ca/>

VIA Rail Canada Inc.

<http://www.viarail.ca/en/about-via-rail>

Whole-of-Government Framework

<http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>

NOTES:

NOTES: